

Rural Utilities Service, USDA

§ 1710.117

borrower may not achieve its required coverage ratios in the current or future years, RUS may withhold the advance of loan funds until the borrower has taken remedial action satisfactory to RUS.

[60 FR 67404, Dec. 29, 1995, as amended at 61 FR 66871, Dec. 19, 1996; 65 FR 51748, Aug. 25, 2000]

§ 1710.115 Final maturity.

(a) RUS is authorized to make loans and loan guarantees with a final maturity of up to 35 years. The borrower may elect a repayment period for a loan not longer than the expected useful life of the facilities, not to exceed 35 years. Most of the electric facilities financed by RUS have a long useful life, often approximating 35 years. Some facilities, such as load management equipment and Supervisory Control and Data Acquisition equipment, have a much shorter useful life due, in part, to obsolescence. Operating loans to finance working capital required for the initial operation of a new system are a separate class of loans and usually have a final maturity of less than 10 years.

(b) Loans made or guaranteed by RUS for facilities owned by the borrower generally must be repaid with interest within a period, up to 35 years, that approximates the expected useful life of the facilities financed. The expected useful life shall be based on the weighted average of the useful lives that the borrower proposes for the facilities financed by the loan, provided that the proposed useful lives are deemed appropriate by RUS. RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, submitted as part of the loan application must include, as a note, either a statement certifying that at least 90 percent of the loan funds are for facilities that have a useful life of 33 years or longer, or a schedule showing the costs and useful life of those facilities with a useful life of less than 33 years. If the useful life determination proposed by the borrower is not deemed appropriate by RUS, RUS will base expected useful life on an independent evaluation, the manufacturer's estimated useful-life or RUS experience with like-property, as applicable. Final maturities for loans

for the implementation of programs for demand side management and energy resource conservation and on and off grid renewable energy sources not owned by the borrower will be determined by RUS. Due to the uncertainty of predictions over an extended period of time, RUS may add up to 2 years to the composite average useful life of the facilities in order to determine final maturity.

(c) [Reserved]

(d) The Administrator may approve a repayment period longer than the expected useful life of the facilities financed, up to 35 years, if a longer final maturity is required to ensure repayment of the loan and loan security is adequate.

(e) The final maturity of a loan established pursuant to the provisions of this section shall not be extended as a result of extending loan payments under section 12(a) of the RE Act.

[58 FR 66265, Dec. 20, 1993, as amended at 60 FR 3731, Jan. 19, 1995; 68 FR 54236, May 7, 2003]

EFFECTIVE DATE NOTE: At 78 FR 73366, Dec. 5, 2013, §1710.115 was amended by adding paragraph (c), effective Feb. 3, 2014. For the convenience of the user, the added text is set forth as follows:

§ 1710.115 Final maturity.

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(c) The term for loans made to finance Eligible EE Programs will be determined in accordance with §1710.408 of this part.

§ 1710.116 [Reserved]

§ 1710.117 Environmental considerations.

Borrowers are required to comply with 7 CFR part 1794, which sets forth applicable requirements of the National Environmental Policy Act (NEPA), as amended (42 U.S.C. 4321 *et seq.*); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA (40 CFR parts 1500–1508); and certain other statutes, regulations and orders. Borrowers must also comply with any other applicable Federal or state environmental laws and regulations.